

In the Matter of: )  
 )  
Application for )  
Certification for the ) Docket No. 99-AFC-7  
PASTORIA ENERGY FACILITY )  
(ENRON NORTH AMERICA CORP.) )  
 )

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

COMMITTEE MEMBER PRESENT

Robert Laurie, Presiding Member

STAFF PRESENT

Susan Gefter, Hearing Officer

Shawn Pittard, Adviser to Commissioner Moore

Jennifer Tachera, Staff Counsel

Kae Lewis, Project Manager

Roger Johnson, Siting Program Manager

Mark Hesters

Sharee Knight

PUBLIC ADVISER

Roberta Mendonca

REPRESENTING THE APPLICANT

Allan J. Thompson, Attorney  
21 C Orinda Way  
Suite 314  
Orinda, CA 94563

Samuel L. Wehn, Director  
ENRON North America Corp.  
101 California Street, Suite 1950  
San Francisco, CA 94111

Jennifer L. Scholl, Senior Environmental Scientist  
URS Greiner Woodward Clyde  
130 Robin Hill Road, Suite 100  
Santa Barbara, CA 93117

C. Joe Patch, III, President  
Patch Engineering Construction  
Patch Incorporated  
1261 Travis Boulevard  
Fairfield, CA 94533

REPRESENTING THE APPLICANT

Dennis Mullins, General Counsel  
Tejon Ranch Company  
P.O. Box 1000  
Lebec, CA 93243

ALSO PRESENT

Donna Daniels  
California Department of Fish and Game

Richard W. Karrs, Air Quality Engineer  
San Joaquin Valley Unified Air Pollution Control  
District  
2700 M Street, Suite 275  
Bakersfield, CA 93301-2370

Chuck Dickson, Assistant Fire Marshal  
Kern County Fire Department  
5642 Victor Street  
Bakersfield, CA 93308

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

## I N D E X

	Page
Proceedings	1
Introductions	1
Opening Remarks	2
Introductions	2
Siting Hearing Process Overview	7
Public Adviser	10
Schedule of Informational Hearing, Site Visit	13
Presentations	14
Applicant	
S. Wehn	14
J. Patch	37
J. Scholl	55
CEC Staff	
K. Lewis	61,77
R. Karrs, SJVUAPCD	75
Comments by Applicant	80
Schedule Issuance	86
Site Visit	88
Adjournment	88
Certificate of Reporter	89

## 1 P R O C E E D I N G S

2 1:00 p.m.

3 PRESIDING MEMBER LAURIE: Ladies and  
4 gentlemen, I'd like to call this hearing to order.  
5 My name is Robert Laurie; I'm a Commissioner at  
6 the California Energy Commission, and I am  
7 Presiding Member of the Commission Committee that  
8 is assigned to hear this case and submit to the  
9 full Commission a proposed order or  
10 recommendation.

11 To my right is Ms. Susan Gefter. Ms.  
12 Gefter is the Hearing Officer assigned to this  
13 case. And Ms. Gefter will generally be managing  
14 the proceedings as we go forth.

15 Is this not working well?

16 To my left is Mr. Shawn Pittard. Mr.  
17 Pittard is the Advisor to Commissioner Michal  
18 Moore, my Associate Member of the Committee on  
19 this case.

20 Ms. Gefter has some opening comments.  
21 We will then want introductions. Recollect this  
22 is a public hearing, the public is invited to not  
23 only attend, but to offer comment as appropriate.

24 This meeting is being recorded so there  
25 may be instances where we may ask you to hold up

1 or slow down. And if you're being really  
2 inarticulate, as I have a tendency to be, try and  
3 explain myself once again so the record is clear.

4 Ms. Gefter, you have some comments?

5 HEARING OFFICER GEFTER: Yes. A little  
6 background.

7 On November 30, 1999 the Pastoria Energy  
8 Facility, or PEF as we're calling it, filed an  
9 application with the Energy Commission to obtain a  
10 license to build and operate a 750 megawatt power  
11 plant on the Tejon Ranch property about 30 miles  
12 south of Bakersfield.

13 The purpose of today's hearing is to  
14 provide information about the proposed power plant  
15 and to describe the Commission's licensing process  
16 in reviewing the application.

17 Would the parties please introduce their  
18 representatives at this time beginning with the  
19 applicant.

20 MR. THOMPSON: Thank you very much. My  
21 name is Allan Thompson. I'm an attorney working  
22 with the PEF on the licensing of this proceeding.

23 To my immediate left is Mr. Sam Wehn of  
24 ENRON. He is the Project Manager or boss in  
25 charge of the project for ENRON.

1                   And to his left is Mr. Joe Patch of  
2                   Patch International, the Lead Engineer on this  
3                   project.

4                   And to Joe's left is Jennifer Scholl.  
5                   She's Lead Environmental from URS Greiner Woodward  
6                   Clyde.

7                   We have a few other people in the room  
8                   that I won't introduce now, but are from our  
9                   environmental consultants. And if the time arises  
10                  when their input would be helpful they are at  
11                  least in the room.

12                  Thank you.

13                  HEARING OFFICER GEFTER: And would staff  
14                  please introduce your representatives.

15                  MS. LEWIS: I am Kae Lewis. I am the  
16                  Project Manager. And to my right is Roger  
17                  Johnson, who is the CEC Siting Program Manager.

18                  And to his right is Mark Hesters, a  
19                  Transmission Engineer.

20                  And behind him is Sharee Knight, our  
21                  Project Secretary.

22                  HEARING OFFICER GEFTER: Are there any  
23                  local agencies present today that -- we'd just  
24                  like to have you introduce yourselves on the  
25                  record. Could you come close to a microphone and

1 give us your name and the agency you represent.

2 MS. DANIELS: Donna Daniels, Fish and  
3 Game, California Department of Fish and Game.

4 MR. DICKSON: My name is Chuck Dickson;  
5 I represent the County Fire Department here in  
6 Kern County.

7 HEARING OFFICER GEFTER: Thank you. Any  
8 other local agencies?

9 MR. KARRS: Yes, I'm Richard Karrs with  
10 the San Joaquin Valley Unified Air Pollution  
11 Control District, Bakersfield office.

12 HEARING OFFICER GEFTER: Thank you. Are  
13 there any other members of the public here that  
14 would like to introduce themselves for the record?  
15 Anyone else?

16 Are there any potential intervenors at  
17 this point, any organizations or individuals that  
18 are considering intervening into the process?

19 Okay. You don't have to speak or say  
20 anything today. We just wanted to introduce you  
21 for the record so we know you're here.

22 Okay. We also would like to introduce  
23 our Public Adviser, Roberta Mendonca, for the  
24 record. And we'll ask you to make some comments a  
25 little bit later.



1               Later, the Public Adviser, Ms. Mendonca,  
2       will explain how the public can obtain information  
3       about the project and how to participate and offer  
4       comments during this review process.

5               The Public Adviser will also tell you  
6       how to intervene as a formal party, which would  
7       allow you to present evidence and cross-examine  
8       witnesses.

9               Also, I notice that staff counsel just  
10      arrived, and if you could introduce yourself on  
11      the record just so we know you're here.

12              MS. TACHERA:   Jennifer Tachera, Staff  
13      Counsel.

14              HEARING OFFICER GEFTER:   Thank you.   I'd  
15      like to go off the record.

16              (Off the record.)

17              HEARING OFFICER GEFTER:   We have  
18      scheduled a site visit after this hearing to  
19      observe the location where the project will be  
20      built.   Transportation will be provided for those  
21      interested in viewing the site.

22              Since the site is located on Tejon Ranch  
23      property we request that all visitors use the  
24      transportation provided.

25              Following the site visit we also plan to

1 visit the Edmonston Waterworks Project. A tour  
2 will be provided for us at that location, which is  
3 very close to the site we understand.

4 The site visit and the tour will last  
5 about 90 minutes. That's what we estimate. Then  
6 we will return to this venue and conclude this  
7 event. Everyone is welcome to attend both the  
8 site visit and the tour of the Waterworks Project.

9 The purpose of today's hearing is to  
10 provide information about the proposed power plant  
11 and to describe the Commission's licensing process  
12 in reviewing the application.

13 PRESIDING MEMBER LAURIE: Sir, you had a  
14 question about process?

15 MR. MULLINS: I just wanted to make sure  
16 before we --

17 HEARING OFFICER GEFTER: Could you --

18 MR. MULLINS: -- leave for the site tour  
19 that -- Tejon Ranch property you need to sign a  
20 waiver before, or consent form before you go out  
21 there. So, before you adjourn --

22 HEARING OFFICER GEFTER: We'll go  
23 through that process before we adjourn, thank you.  
24 Are you a representative of Tejon Ranch?

25 MR. MULLINS: Yes.

1                   HEARING OFFICER GEFTER: Okay, thank  
2                   you. And what is your name? Could you come  
3                   forward and put your name on the record, please,  
4                   talk into a microphone.

5                   MR. MULLINS: I'm Dennis Mullins with  
6                   Tejon Ranch.

7                   HEARING OFFICER GEFTER: Thank you. I'm  
8                   going to give a little background as to the  
9                   purpose of this hearing and what the process will  
10                  entail during the next 12 months.

11                  The notice of today's hearing was mailed  
12                  on February 11th to all parties, including  
13                  adjoining landowners and interested governmental  
14                  agencies and other individuals in the vicinity.

15                  In addition, notice of today's hearing  
16                  was published in The Bakersfield Californian on  
17                  March 12th.

18                  Today's hearing is the first in a series  
19                  of formal Committee events that will extend over  
20                  the next year. The Committee is composed of two  
21                  Commissioners of the California Energy Commission.  
22                  Commissioner Robert Laurie is the Presiding  
23                  Member, and Commissioner Michal Moore is the  
24                  Associate Member. You will be seeing a lot of  
25                  them during these next 12 months.

1           The Commissioners who are on the  
2           Committee will eventually issue a proposed  
3           decision containing recommendations on the  
4           proposed project. It's important to emphasize  
5           that the Committee's proposed decision must, by  
6           law, be based solely on the evidence contained in  
7           the evidentiary record in this case. And that  
8           will be a public record.

9           To insure this happens, and to preserve  
10          the integrity of the Commission's licensing  
11          process, the Commission's regulations and the  
12          California Administrative Procedure Act expressly  
13          prohibit private contacts between the parties and  
14          the Committee Members, that includes the  
15          Commissioners and myself, the Hearing Officer, and  
16          the Commissioners' Advisors.

17          This prohibition against off-the-record  
18          communications between the parties and the  
19          Committee is known as the ex parte rule. This  
20          means that all contacts between the parties and  
21          the Committee regarding a substantive matter must  
22          occur in the context of a public discussion such  
23          as today's event. Or in the form of a written  
24          communication that is distributed to all the  
25          parties.

1           The purpose of the ex parte rule is to  
2       provide full disclosure to all participants of any  
3       information that may be used as a basis for the  
4       future decision on this project.

5           Additional opportunities for the parties  
6       and the governmental agencies to discuss  
7       substantive issues with the public will occur in  
8       public workshops to be held by Commission Staff in  
9       locations here in the Bakersfield area or in  
10      Sacramento.

11          Information regarding other  
12      communications between the parties and  
13      governmental agencies is contained in written  
14      reports or letters that summarize such  
15      communications. These written reports and letters  
16      are distributed to the parties and are made  
17      available to the public.

18          All this information can be obtained on  
19      the Commission's website, and I will provide that  
20      website address at the end of my comments.

21          The application for certification, or  
22      the AFC, process is a public proceeding, and  
23      that's where we are now, in which members of the  
24      public and interested organizations are encouraged  
25      to actively participate and express their views on

1 matters relevant to the proposed project.

2 The Committee is interested in hearing  
3 from members of the community on any aspect of  
4 this project, and also from governmental agencies  
5 that will be involved.

6 Members of the public are also eligible  
7 to intervene in the proceeding. And if there are  
8 potential intervenors we encourage you to file  
9 petitions to intervene as soon as possible to  
10 allow for full participation.

11 At this time we'll ask our Public  
12 Adviser to explain the intervention process and to  
13 provide an update on her efforts to contact local  
14 residents and other interested groups and  
15 organizations regarding the project.

16 Ms. Mendonca.

17 Off the record.

18 (Off the record.)

19 HEARING OFFICER GEFTER: Back on the  
20 record.

21 MS. MENDONCA: Thank you. My name is  
22 Roberta Mendonca and I'm the Energy Commission's  
23 Public Adviser.

24 For those of you who I've not had a  
25 chance to explain what I do for the Energy

1 Commission, let me begin at the beginning by  
2 saying it's quite a unique position. Not many  
3 facilities in state government agencies or  
4 departments have a special independent person who  
5 is there to make sure that the public understands  
6 the process and how to participate in the process.

7 So, by statute, the Governor appoints a  
8 Public Adviser who serves that specific function,  
9 and that's what I'm going to be doing in this  
10 process.

11 Today I brought with me two pieces of  
12 paper that you might want to pick up. There will  
13 be a lot of information provided for you today,  
14 but it's always hard to take back everything, so  
15 the pink one-pager is a nice concise summary of  
16 what you're going to be hearing about the project  
17 today.

18 And at the bottom of it, it has my 800  
19 number. I can be reached toll free at the 800  
20 numbers in Sacramento. And also on the bottom of  
21 the pink page is my email address.

22 Additionally I've provided a one-page  
23 overview of the year-long process so it has been  
24 mentioned, makes it kind of simple and easy to  
25 understand, plus a brief description on the back

1 of the various phases in the siting process.

2 One of the differences about  
3 participating in the public open process that  
4 we're here today is today is a formal meeting. We  
5 have our Commissioners present. There will also  
6 be less formal meetings, which are workshops. And  
7 the public is invited to participate and comment,  
8 offer opinions and make statements, ask questions  
9 and participate by providing information as well  
10 as getting your questions answered.

11 When we get closer to the decision-  
12 making phase, we enter more formal structured  
13 hearings. And at those hearings if you want to  
14 participate by having your own evidence, you need  
15 to go through the process of intervening, which is  
16 to become a formal party in the process.

17 Intervening is done by a petition. The  
18 Public Adviser is more than happy to help you with  
19 that. And I would repeat what the Hearing Officer  
20 said, is that if you think that you're interesting  
21 in intervening, it's in your best interest and it  
22 benefits the process if you intervene early.  
23 There is a deadline. You must intervene before  
24 the formal hearings start.

25 So, with that very brief summary, again



1       it's gratifying to see members of the public here.  
2       I hope that you will enter your names for the  
3       record as we get further along so we can keep  
4       track of you. And thank you very much.

5               HEARING OFFICER GEFTER: Thank you. I  
6       want to describe the agenda for today's hearing.  
7       And during the course of the hearing we will ask  
8       the parties to make their presentations in the  
9       following order:

10              First, the Pastoria Energy Facility or  
11       PEF will describe the proposed project and explain  
12       your plans for developing the project site.

13              Next, the Commission Staff will provide  
14       an overview of the Commission's licensing process,  
15       and the role of staff in reviewing the proposed  
16       project as an independent party.

17              Off the record.

18              (Off the record.)

19              HEARING OFFICER GEFTER: Back on the  
20       record.

21              After representatives of PEF and the  
22       Commission make their presentations, we will hear  
23       comments from any agencies, or any other potential  
24       intervenors or members of the public. You may  
25       also ask questions during the presentations; we'll

1 allow you to ask questions. Direct your questions  
2 to the Committee and then we will allow the  
3 parties to respond to your questions.

4 At the completion of all these comments  
5 we will discuss scheduling. Staff has proposed a  
6 certain schedule that we will follow over the next  
7 several months, and staff has also issued what we  
8 call the staff's issue identification report,  
9 which talks about some of the issues that they  
10 anticipate may be a problem during the proceeding,  
11 but we're hoping that those issues can be resolved  
12 within the 12-month process.

13 This is a somewhat informal process  
14 today. We will provide time, as I mentioned, for  
15 members of the public and the agencies to ask  
16 questions, and also to make some comments that you  
17 might have, how your agencies relate to this  
18 project, and how you feel your agencies may be  
19 involved in the process.

20 Before we begin are there any questions  
21 about today's agenda?

22 All right, we're going to begin with the  
23 applicant, PEF.

24 MR. WEHN: Thank you. Commissioner  
25 Laurie, Susan Gefter, Shawn Pittard, thank you

1 very much for giving us the opportunity to present  
2 our project to you today. We have slides and a  
3 presentation that I think will give us the  
4 opportunity to see the full scope of our project  
5 that we're proposing.

6 Secondly, we'll try our best to address  
7 the four issues that are considered the issues by  
8 the staff, and give you an idea of where we stand  
9 with those, such that we can look forward to  
10 setting a schedule that will work for both  
11 parties.

12 What we're proposing to develop is a  
13 750-megawatt gas-fired power generation facility  
14 located approximately 30 miles south of  
15 Bakersfield on approximately 32 acres of land that  
16 is on the Tejon Ranch property.

17 Our relationship with Tejon Ranch,  
18 incidentally, is a relationship of a landlord/  
19 tenant type relationship. We entered into an  
20 option agreement with them to lease the land. And  
21 we also entered into a relationship that would  
22 provide us the opportunity to obtain easements for  
23 all of our linears. And I'll further explain at  
24 least one of the linears goes off the Tejon Ranch  
25 property.

1           This project is a state-of-the-art. We  
2       plan on our emission controls to be that which is  
3       compared to most other projects in the State of  
4       California that is 2.5 ppm for NOx. Maybe one  
5       twist on ours is we're proposing that we utilize  
6       Xonon technology, which is a new technology that's  
7       being developed by Catalytica.

8           And we'll talk a little more about that  
9       later in the presentation. As a matter of fact,  
10      Joe Patch will give a presentation of it and show  
11      a video.

12           The question might be is why locate the  
13      project on Tejon Ranch six miles east of the  
14      Grapevine, one and a half miles northwest of the  
15      Edmonston pumping station, and I guess the answer  
16      to that is when AB-1890 came into being it was a  
17      program in which they would put generation into  
18      the competitive marketplace.

19           And generation now is getting to be  
20      nothing more than if you were manufacturing some  
21      other product you look to find where you can get  
22      your raw materials. You're going to do something  
23      with the raw materials, and then you try to get it  
24      to the marketplace at the shortest distance  
25      possible.

1                   One of the opportunities here in looking  
2                   at the transmission congestion in central  
3                   California there is a fair amount of congestion at  
4                   the Midway substation. The selection here was to  
5                   connect into the Pastoria substation, and the  
6                   electrons would flow south rather than flowing  
7                   north, which would help relieve some of the  
8                   congestion on Midway and going further north.

9                   So our selection was, from a  
10                  transmission point of view, one in which we saw an  
11                  opportunity to get our electrons to the  
12                  marketplace and get it there pretty quickly. And  
13                  the distance being right over the hill, so to  
14                  speak, from where the Pastoria substation is  
15                  located.

16                 From a water perspective, water is  
17                 available from the California Aqueduct. It's  
18                 again close by, approximately a mile, we're a mile  
19                 from the actual aqueduct, although our connection  
20                 point to the aqueduct is going to be a little bit  
21                 further away. But the bottomline is water's close  
22                 by.

23                 Gas, there's about an 11-mile gasoline  
24                 to the Kern/Mojave pipeline. That's a pretty  
25                 direct -- we're not taking a most direct route.

1       We're trying to be less intrusive to the land, so  
2       therefore we're going to be following a road  
3       network that will get us from our plant site to  
4       the connection point.

5               So when we looked at all of those  
6       elements, the location -- and we further discussed  
7       the locations with the Tejon Ranch management, the  
8       Tejon Ranch management gave us an area that we  
9       could locate a plant in. And so we tried to put  
10      it in various locations within the area that they  
11      have provided us.

12             The actual site selection that you find  
13      today is the one that we selected, because it  
14      worked for call it all occasions, for the gas  
15      transmission and water.

16             So I think from an economic point of  
17      view, because this plant is a 100 percent merchant  
18      plant. We are not contracting any of the energy  
19      going into this. We'd like to contract some of  
20      the energy, the answer, of course, is yes to that.  
21      But it is a pure, 100 percent merchant facility as  
22      we speak.

23             We think that there's going to be a  
24      benefit to locating the plant there from the  
25      standpoint of supporting the grid with respect to

1 the Edmonston pumping station. We believe that  
2 the opportunity to generate energy and generate  
3 during the off-peak hours when Edmonston is  
4 operating is going to be a great benefit to the  
5 system.

6 We are working with Southern California  
7 Edison with regard to developing an impact  
8 analysis, which we have finished and docketed with  
9 the California Energy Commission. And they are  
10 now doing a study that will determine the actual  
11 impacts that are going to be mitigated, as well as  
12 providing the costs associated with those impacts.  
13 So that is underway and will be available to us  
14 in, I think it's the first week of May, May 7th.

15 With regard to the equipment, we're  
16 planning to, and have contracted with, General  
17 Electric for four Frame 7's. And you'll say well,  
18 why four, not three. Well, we have actually three  
19 plus one, and if there's ever the opportunity to  
20 use that machine somewhere else, for that matter,  
21 or use it on this plant at some later date way  
22 down the road, we might suggest doing that.

23 But our plan today is three gas  
24 turbines. They're under contract for this  
25 project, 750 megawatts.

1                   With regard to schedule, -- excuse me,  
2           let me back up, with regard to Catalytica, when we  
3           struck the agreement with General Electric we also  
4           struck an agreement that General Electric and  
5           Catalytica would embark on a development program  
6           for the Catalytica Xonon technology.

7                   And that technology is underway. The  
8           development process is ongoing. We think it is  
9           probably a two-year program that could be  
10          accelerated based upon some positive results.

11                  I just so happened to have been in Santa  
12          Clara last week and viewing their -- even though  
13          it's a one, I think it's a one-kilowatt generator  
14          that's using Xonon technology, what I saw was very  
15          very positive results --

16                  PRESIDING MEMBER LAURIE: Well, let's --

17                  HEARING OFFICER GEFTER: Off the record.

18                  (Off the record.)

19                  HEARING OFFICER GEFTER: Back on the  
20          record.

21                  MR. WEHN: So we're pretty encouraged  
22          with regard to the development process because  
23          we're working with General Electric which is a  
24          very big OEM. And I think working with General  
25          Electric and Catalytica together, I think this



1        technology is going to come into being. It's just  
2        a question of how fast and how successful they can  
3        be with the development process. But all  
4        indications are, at this moment, that it is going  
5        very well.

6                With regard to schedule, we are planning  
7        to embark on a schedule that, in our opinion, is  
8        going to put us in a position where we, when we  
9        get our decision from the California Energy  
10       Commission, we will then proceed into financing,  
11       and then very quickly thereafter start our  
12       engineering.

13               And, if I may just use the term, days  
14       between each of those events. So that we will be  
15       going out to bid the project out for an EPC  
16       contract to do the engineering procurement and  
17       construction of the main plant, itself.

18               And what we've done is the plan would be  
19       EPC the main plant by itself, then go out to  
20       individual vendors to do the balance of the  
21       linears. So the gas probably would be a separate  
22       contractor with transmission a separate  
23       contractor, as well as the water would be through  
24       Wheeler Ridge.

25               So, with that, our plan is to embark on

1       that program as quickly as we can, as soon as we  
2       have a general idea of just what we think our  
3       conditions of certification are going to look  
4       like.

5               To help that out one of the things that  
6       we did do, and we offered up to the staff, was  
7       what we thought to be our mitigation measures, we  
8       call them mitigation measures, for every aspect or  
9       every area to be evaluated.

10              We hope that that is being received  
11       positively because what we attempted to do was try  
12       to help out and assist in saying this is what we  
13       would like to see from our point of view. If you  
14       like it, fine. If you don't like it, I'm assuming  
15       you'll mark them up and cross things out, and add  
16       things to suit your needs. But, it was our  
17       approach to try to help and assist, knowing that  
18       the workload at the staff level is huge.

19              And further, a point that I just covered  
20       over real quickly, but I'd like -- let me drop  
21       back to this, because this is a good time to talk  
22       about it. And that is when we stepped into this  
23       project on November 30th, we stepped into it with  
24       a number of alternatives.

25              We had three alternatives for a gasoline

1 route. We had a couple alternatives for  
2 wastewater, et cetera. What we decided to do, and  
3 maybe this is a little learning experience coming  
4 out of the Pittsburg project, was it seemed to us  
5 that if, in fact, we were to eliminate all these  
6 alternatives and get down to this is exactly what  
7 we're going to build, and do that sooner rather  
8 than later, it would probably make your life  
9 easier and it would make ours a heck of a lot  
10 easier, as well.

11 So I guess my point is we made some  
12 decisions early on in the process to try to  
13 eliminate those kind of options, and get down to  
14 this is exactly what we're going to build. We'd  
15 like you to evaluate that. If there are problems  
16 with it, then we'll find solutions for those  
17 problems. But we think that going this route is  
18 probably a lot better for both parties, as well as  
19 the public.

20 Now, with that what we have done in  
21 addition is we made an effort to go visit some of  
22 the other agencies that are impacted or going to  
23 be working on this project.

24 As an example, we've had a number of  
25 meetings with the San Joaquin District to talk

1       about our air quality aspects of this project.  
2       We've worked with the San Joaquin District very  
3       closely on emission offsets, actually going in and  
4       looking at all of the applications that are  
5       available for use on a project such as this.

6               And so far we feel like we've had very  
7       good feedback from the District, and some good  
8       support.

9               The other thing we've done is we've gone  
10      to EPA, knowing that EPA is going to be issuing a  
11      PSD permit. And we've had, I would bet, at least  
12      half a dozen meetings with EPA answering their  
13      questions, providing modeling protocol, doing all  
14      the things in which we feel that are going to be  
15      issues, and which they would like to raise with  
16      us.

17              I would also say to you, as we have  
18      taken some of our emission credit certificates  
19      with the application and all the backup material  
20      that goes with it, and we actually gave it to EPA  
21      and asked them to review it and give us some  
22      feedback.

23              Now, what our plan was and our strategy  
24      on emission offsets is that we were trying to buy  
25      a certificate or credits that fit all occasions.

1 In other words, I was really looking to find one  
2 credit that everybody likes, in any agency, or for  
3 that matter, the public or anyone else that would  
4 like to talk about emission offsets.

5 So we made an effort to work with EPA to  
6 try to get their concurrence. We've received some  
7 really good feedback from the Commission -- excuse  
8 me, the EPA. And I think we generally know  
9 exactly where they're going and what their issues  
10 are with regard to emission offsets.

11 We also did the same thing with  
12 California Air Resources Board. We had a meeting  
13 with the Air Resources Board. We feel that -- we  
14 presented out whole program to them. We feel like  
15 they're on board with us.

16 They probably don't appear to be as  
17 active on the front end, but they will be  
18 commenting on the PDOC when it's issued.

19 We've also talked to the U.S. Fish and  
20 Wildlife Service, and while we haven't talked to  
21 the young lady that's here, we did talk to Peter  
22 Cross. We've had a number of meetings with him.

23 And I would like to make this point,  
24 though, on U.S. Fish and Wildlife Service. We  
25 know the Tejon Ranch is putting together their own

1 HCP for the ranch, and they are working very  
2 closely with U.S. Fish and Wildlife Service.

3 And what we're doing, we're developing  
4 an HCP that's kind of a part of that big HCP.

5 HEARING OFFICER GEFTER: Tell us what  
6 the acronym HCP is.

7 MR. WEHN: Habitat Conservation Program.  
8 And we are working, I would say as of October of  
9 last year, we're working very very closely with  
10 the Tejon Ranch environmental biologist and ours  
11 on our team, the PEF team. We are working  
12 together trying to make sure that we are both  
13 compatible with each other.

14 We are also meeting with the U.S. Fish  
15 and Wildlife Service together to make sure that we  
16 are presenting a unified program so that it's not  
17 disjointed in any way.

18 So far it appears, at least from my  
19 feedback, that things are working very well in  
20 that area. Maybe to get even one step further  
21 there will be a meeting, or a workshop, excuse me,  
22 on the 16th, March 16th, to talk just about  
23 biology.

24 PRESIDING MEMBER LAURIE: Mr. Wehn,  
25 question. My understanding is that Tejon Ranch

1 does not have any sort of development application  
2 that has been submitted to the County, is that  
3 correct?

4 MR. WEHN: That is my understanding, as  
5 well.

6 MR. MULLINS: Do you want a response?

7 HEARING OFFICER GEFTER: If you have  
8 one, but please speak to a microphone.

9 MR. WEHN: I think that is correct, sir.

10 PRESIDING MEMBER LAURIE: And so any  
11 environmental analysis that is being conducted for  
12 this project will not take into account any  
13 specific potential development for Tejon Ranch?

14 MR. WEHN: That is correct.

15 PRESIDING MEMBER LAURIE: Okay. I  
16 believe the AFC has one, but I would be interested  
17 in seeing simply a schematic or a map of the Tejon  
18 Ranch holdings and where this project fits in so I  
19 can get some appropriate perspective.

20 MR. WEHN: We will get a map for you.

21 PRESIDING MEMBER LAURIE: Thank you.

22 MR. WEHN: I may have misspoke. You're  
23 from Fish & Game, right?

24 MS. DANIELS: But we've been in  
25 communications with you, also.

1 (Laughter.)

2 HEARING OFFICER GEFTER: I'm sorry,  
3 would you identify yourself for the record when  
4 you speak so the reporter can --

5 MS. DANIELS: Donna Daniels, California  
6 State Department of Fish and Game. And we have  
7 also been in communications with the applicant and  
8 with the CEC.

9 HEARING OFFICER GEFTER: Thank you.

10 MR. WEHN: I guess what we're trying to  
11 say is that we're talking to everyone we can to  
12 make sure that it's coordinated and there are no -  
13 - the message isn't disjointed is the attempt.

14 And, of course, last but not least,  
15 we're talking to Kern County. We've talked to the  
16 CBO at Kern County. We've talked to the Fire  
17 Chief of Kern County. We've talked to a number of  
18 other agencies with respect to what are the needs  
19 of Kern County, and how are we going to anticipate  
20 their issues that they have with us.

21 PRESIDING MEMBER LAURIE: How far is  
22 this project from the L.A. County line?

23 MR. WEHN: Approximately 20 miles.

24 PRESIDING MEMBER LAURIE: So will the  
25 environmental analysis take into consideration any



1 impact of L.A. County to the extent that L.A.  
2 County agencies need to be involved in  
3 discussions? That's simply a question. It need  
4 not be answered now.

5 I just would not want to see us be  
6 moving along six months from now and somebody from  
7 L.A. County waking up and understanding that  
8 they've got a project that they consider to be,  
9 certainly not within their sphere of influence,  
10 but just over the border, and want to get involved  
11 in discussions somewhere down the line.

12 MR. WEHN: We will check with the county  
13 and will investigate that.

14 In addition to all of that, to kind of  
15 demonstrate some of the things that we've done to  
16 try to bring this project into -- to accelerate  
17 it, if you will, or resolve the issues faster,  
18 whatever the right term is, when we received our  
19 data requests we made an extraordinary effort to  
20 try to respond very quickly.

21 I think within the data adequacy phase  
22 we tried to get an answer back within, you know,  
23 five or six days. You've given us some data  
24 requests for this analysis phase. And I believe,  
25 as we are sitting here talking today, we are

1       docketing about 75 percent of the answers to those  
2       data requests at the Commission in Sacramento.

3               So, what we're attempting to do is to  
4       get the answers that you have back to you as  
5       quickly as we can.

6               So with respect to schedule I'll only  
7       reiterate that it is our intent to try to respond  
8       to you as fast as we can, get the issues resolved,  
9       and move on to the next step.

10              Transmission was a big issue. It was  
11      called out in your issues report as one of the  
12      major issues. I would like to say that we know  
13      that there was another party that's ahead of us in  
14      the queue with regard to -- queue meaning the  
15      status on who connects into the grid first -- with  
16      a Southern Cal Edison Company. And that is the  
17      LaPaloma -- or excuse me, Antelope project, which  
18      is located on the west side.

19              We know that they have filed their  
20      application with Southern Cal Edison before us,  
21      but we also know factually that they have not  
22      filed an application with the California Energy  
23      Commission.

24              We also know that there's a certain  
25      timeframe in which one has to exercise an

1 agreement with the Southern California Edison  
2 Company in order to effect the changes. And we  
3 know that that is probably going to come faster  
4 than what their ability is to achieve a decision  
5 out of the California Energy Commission.

6 I have no idea when they're going to  
7 file their application. I have no news in that  
8 regard. All I do know is that they haven't done  
9 it. So my projection is that they're at least  
10 four months behind us.

11 With respect to --

12 HEARING OFFICER GEFTER: Off the record.

13 (Off the record.)

14 HEARING OFFICER GEFTER: On the record.

15 MR. WEHN: What I think we would like to  
16 look at is what is Southern Cal Edison's position  
17 with regard to a situation such as this one. We  
18 know it is our plan to ask that question of  
19 Edison. We will be doing that this week.

20 We have been in consultation with them  
21 for a number of weeks, however, with regard to our  
22 project in and of itself. We also know that if  
23 you remove the Antelope project from the grid  
24 analysis, the modeling, what you'll find is  
25 there's very little mitigation to be done between

1 the Pastoria substation and Pardee.

2 So I guess the real question here, at  
3 least in my mind, is where do they stand with  
4 regard to developing that project. They're either  
5 going to have to step up and move forward, or  
6 we're going to continue to move through the  
7 process. But it has a significant impact on this  
8 project, and one should really look at, in my  
9 mind, the needs across time for California.

10 And I know that if I were to say to you  
11 let's add something else into this whole mix, and  
12 that something else, when it comes to developing  
13 projects in the San Joaquin District, is emission  
14 offsets.

15 I might go as far as to say that I have  
16 a pretty real -- not pretty, but I think I have a  
17 very good handle on emission offsets. And I don't  
18 know where they fit into the emission offset  
19 acquisition process. But I will say this, is that  
20 they need to get up and go fast if they want to be  
21 a party to connecting into the grid and being  
22 first in line.

23 So, with that, I'm going to embark on a  
24 process over the next couple weeks with Southern  
25 Cal Edison to try to reach a determination on what

1 is the position with regard to the queuing. And  
2 I'm also going to take that up with the ISO.

3 And incidentally, the ISO wrote a letter  
4 to Southern Cal Ed and they talked about possibly  
5 remodeling in the event that that other project  
6 does not -- is not going to be developed.

7 So I think there's enough room here for  
8 everyone to think in terms of this may not be a  
9 cut-and-dried issue today; that it may need to  
10 have some real big decisions made real soon by  
11 either the ISO, Southern Cal Ed, or both.

12 Water, even though I touched on it a  
13 little bit, I'd like to just make this comment  
14 about water. It is our desire to be purchasing  
15 water, I'm going to call it turn-back water, or  
16 pooled water, whichever the right term is, from  
17 Wheeler Ridge, Maricopa Water District.

18 And what that really means is that if  
19 the Wheeler Ridge District entitlement holders are  
20 not going to use their water and they're turning  
21 it back for resale, we will be first in line to  
22 purchase that water from them.

23 With respect to back-up water during  
24 those times when there is no turnback or pooled  
25 water, we will be actually writing and executing

1 an agreement with a party within Kern County to  
2 purchase water out of the Kern County water bank.

3 So there's a pre-existing, some million  
4 acrefeet of water in Kern County water bank, and  
5 we will be going in looking for approximately  
6 18,000 acrefeet, to put it under contract for  
7 those times whenever there is a need to go to  
8 back-up water source.

9 PRESIDING MEMBER LAURIE: And what's the  
10 source of the Kern County water bank water?

11 MR. WEHN: Are you asking who owns it?

12 PRESIDING MEMBER LAURIE: Is it --

13 MR. WEHN: It's surplus out of the  
14 aqueduct.

15 Those discussions, incidentally, are  
16 ongoing with Wheeler Ridge. As a matter of fact  
17 we believe that we're going to be prepared to go  
18 to their board on April 12th with an agreement.  
19 And we're working towards that, and we think we  
20 will get there.

21 When that agreement is executed we'll be  
22 happy to docket that at the Commission for your  
23 review.

24 With regard to the gas line, I would  
25 like to say that the gas line is a route

1 approximately 11 miles long. It's on Tejon Ranch  
2 for the majority of the way. It goes down  
3 Sebastian Road. It goes along Tejon Ranch and  
4 then it comes up, goes up Sebastian Road, goes  
5 down Sebastian Road to a point that is located --  
6 or the corner of where Kern/Mojave turns heading  
7 east, and it turns and goes north. So in effect  
8 we're going to connect into the Kern/Mojave  
9 pipeline at that point.

10 HEARING OFFICER GEFTER: Is there  
11 existing gas pipeline on the Tejon Ranch property?

12 MR. WEHN: I think the answer to that is  
13 yes, but I don't know the locations. That is  
14 true, the Kern/Mojave line does, in fact, come on  
15 the Tejon Ranch land, but it is much further  
16 north.

17 Once you go above Sebastian Road in this  
18 area what you end up getting involved in is very  
19 serious environmental issues with the blunt-nosed  
20 leopard lizard and the kit fox and some other  
21 things.

22 We were kindly advised that it's okay to  
23 do that, if you care to, but you know, be aware  
24 that this will be a formidable task. So, again,  
25 we looked at what are our options here, how

1       quickly can we make something work that's  
2       favorable to all parties, and favorable to the  
3       environment. And we selected this route as being  
4       the best selection of all.

5               And that concludes my portion of the  
6       introduction. What I'd like to do is ask Joe  
7       Patch to give a real detailed project description  
8       and talk about some further details.

9               PRESIDING MEMBER LAURIE: Thank you.  
10      Mr. Patch.

11              MR. THOMPSON: One thing, before Joe  
12      starts, actually two things. Number one, there's  
13      coffee and soft drinks over here for our use. The  
14      folks that run this --

15              HEARING OFFICER GEFTER: Off the record.  
16      (Off the record.)

17              MR. THOMPSON: We would like to, for  
18      members of the public, Ms. Mendonca talked about  
19      intervening. There are also other avenues to  
20      obtain information about the project.

21              You heard Mr. Wehn, you'll hear Mr.  
22      Patch, you'll hear Ms. Scholl speak. If you have  
23      specific questions you can go up and ask them. If  
24      you want to ask for a business card or an address  
25      and write questions, or an email address, please



1       feel free to do that.

2               We want to get as much information out  
3       to all of you and answer questions to the extent  
4       we can.

5               HEARING OFFICER GEFTER:   Mr. Patch.

6               MR. PATCH:   Yes, thank you.   My name is  
7       Joe Patch.   What I'd like to do is take a few  
8       minutes and run through what would be a general  
9       overview of the project.

10              The slide will identify the subjects  
11      hopefully that we can cover.   I'd also like to try  
12      to weave into the presentation a series of the  
13      photosimulations that we have that can walk  
14      through and show us where the plan is and how it's  
15      situated in general relation to the plant site  
16      area.

17              If I could start kind of from a point  
18      backwards, we have rather an overview map right  
19      here, if I could get Allan, if you'd hold that up.

20              What I'd like to generally describe is  
21      that we are roughly 30 miles south, as Sam has  
22      already pointed out, of Bakersfield.   And about  
23      six and a half miles east of the I-5/99  
24      interchange.   It's about a mile and a half --

25              HEARING OFFICER GEFTER:   Mr. Patch.   Off

1 the record.

2 (Off the record.)

3 HEARING OFFICER GEFTER: Back on the  
4 record.

5 MR. PATCH: We're about a mile and a  
6 half northwest of the Edmonston pump plant. We'll  
7 get to see all of this in detail obviously when we  
8 make the site visit this afternoon.

9 Access to the facility, access to the  
10 plant site, itself, will be down the existing  
11 Edmonston Pump Plant Road. That's about six and a  
12 half miles of roadway. It's a two-lane road.  
13 It's currently used for traffic and access  
14 obviously to Edmonston pumping plant. It's also  
15 used by the quarrying operation that exists on  
16 Tejon property which is just east of where we've  
17 located the site.

18 The plant site layout, itself, if I  
19 could use one more of the -- this is a  
20 photosimulation that is included in the AFC. The  
21 attempt here is to kind of depict from a viewing  
22 point which is just on I-5 looking to the east,  
23 what we believe the plant looks like. It is to  
24 scale. The plant model was put to scale, the  
25 photographs were taken, and there are several

1 issues as to how we scale that in. It is the  
2 subject of a data request, which has been  
3 responded to, and is being docketed today.

4 HEARING OFFICER GEFTER: Okay, where off  
5 I-5 are we looking east?

6 MR. PATCH: The photosimulation on your  
7 left is at point A.

8 HEARING OFFICER GEFTER: Could you give  
9 us some idea like what exit it is near off of 5?

10 MR. PATCH: Oh. I believe it's just  
11 north of where we are. We're essentially at I-5  
12 and 99 intersection, and that photo was taken just  
13 north of the intersection of 99 and 5, which is,  
14 gee, I don't know, a mile up the road or less.

15 The next exit south, okay, so we're  
16 maybe a mile south of here.

17 HEARING OFFICER GEFTER: Could you  
18 summarize that for the record, because --

19 MR. PATCH: Let me try it one more time.  
20 The photosimulation on your left is taken from  
21 viewpoint A which is located about a mile and a  
22 half south of this current location of the Petrol  
23 Truck Stop.

24 HEARING OFFICER GEFTER: And this is at  
25 the Laval exit?

1                   MR. PATCH: No, we're on Laval exit  
2                   right here. We're about a mile and a half south  
3                   of that on I-5.

4                   Okay, does that generally describe it?  
5                   All right.

6                   If we could use the next two  
7                   photosimulations. Again the photosimulation on  
8                   your left shows the plant in its current  
9                   configuration. It's three HRSGs, nominal 750  
10                  megawatt capacity, some of that adjusted obviously  
11                  for altitude and temperature.

12                  The transmission line parallels the  
13                  existing Edison transmission line. We're going to  
14                  talk about that a little bit more.

15                  But what we have is the photosimulation  
16                  on the left now is as if we were standing at point  
17                  B, which will be right on Edmonston Pump Plant  
18                  Road. That will be, I believe, Jennifer can tell  
19                  us here in a minute, but I believe that will be  
20                  the location that as we go out to the site tour  
21                  we'll gather up around point B, which gives us a  
22                  chance to look at the site.

23                  Currently the site has some survey  
24                  stakes that have been placed to identify locations  
25                  of major equipment, things like exhaust stacks

1 from the HRSGs, the equipment, itself, the  
2 switchyard, the cooling towers.

3 So what we've proposed is as we come in  
4 the Edmonston Pump Plant Road, about six and a  
5 half miles, we would construct an access road to  
6 the plant that is about a mile and a half long,  
7 about a mile and a quarter, sorry. And, again,  
8 the photosimulation is taken from point B.

9 If I could move on site, the view in  
10 this photosimulation is to the east of point B  
11 that we just identified. In other words you just  
12 continue east on Pump Plant Road approximately a  
13 half a mile and look back to the northwest, and  
14 that's the photosimulations you'll see.

15 In the foreground, of course, is the  
16 existing gravel quarrying operation on Tejon  
17 property. And obviously in the background is the  
18 plant, itself, which shows the current  
19 configuration as has been identified in the AFC.

20 What we can see and what I'd like to  
21 kind of just walk through using that  
22 photosimulation if I could, is that first off the  
23 access road. The access road is, again, ties in  
24 at Edmonston Pump Plant Road, comes down across  
25 the site and enters the site right there about at

1 the center of the site.

2 The general lay of the land, the  
3 topography you'll certainly get a real good view  
4 and real good sense for when you have a chance to  
5 take a look at the site. But from the, let's say  
6 the southeast to the northwest corner, kind of  
7 from the diagonally right to diagonally left,  
8 there's about 20 to 25 feel of fall across that  
9 site.

10 As we go further to the west to your  
11 left, Tejon Creek makes its way off and meanders  
12 up off onto the northwest side. So part of the  
13 siting brought that plant into the location that  
14 kept it east of the creek about as far as we could  
15 go and still maintain a situation that allowed us  
16 to have some balance cotton fields in the grading  
17 plan that's included in the AFC we see that there  
18 are different elevations. For the switchyard, for  
19 example, is a little higher than the location  
20 shown for the HRSGs and the turbine equipment.  
21 And the cooling towers I think are a foot or a  
22 foot and a half lower.

23 The first component of the plant that  
24 you see as you come in the access road right off  
25 to your left is the makeup water treatment area.

1 Right now that water treatment area in that  
2 location allows us to use the current feed, that  
3 we can talk about in a minute, from Wheeler Ridge  
4 supplying makeup water from the aqueduct. It  
5 allows us to use gravity flow and gravity head and  
6 little pumping.

7 As we move down into the plant to the  
8 right, just as you go through the gate, there's a  
9 2.3 million gallon makeup water storage tank. The  
10 primary purpose of the makeup water system is to  
11 remove suspended solids and any miscellaneous  
12 trash that would be coming down in the aqueduct.  
13 This is common depending on the time of the year.  
14 We've seen water quality variances, particularly  
15 between January and December. And depending on  
16 how much rain has fallen, and what else has gotten  
17 into the aqueduct. So we do have a makeup water  
18 treatment system.

19 As we come in further to the plant the  
20 first building on the right is a warehouse,  
21 warehouse and storage area for permanent plant  
22 equipment.

23 To the left of the warehouse initially  
24 is the switchyard. It is a 230 kV switchyard.  
25 The design currently is identified as a ring buss

1       scheme. And the transmission, itself, the  
2       transmission towers, these are steel lattice  
3       towers that are consistent with the existing  
4       towers of structure and type that SCE is using on  
5       their transmission line headed into Pardee.

6               We continue in further to the site.  
7       What is shown is there is a combination, there are  
8       two HRSGs being fired by two F class. These are  
9       GE-7 FA machines. Combined with a single steam  
10      turbine. And the machine and equipment to the  
11      left, the third stack to the left is a single F  
12      class, FA machine with a separate steam turbine.

13             To the right, pretty standard layout.  
14      We have 16 cells in the first bank of towers; we  
15      have eight cells in the second bank of towers.  
16      That is the cooling water supply, that is the  
17      cooling water system. It is currently designed as  
18      a wet system at this point.

19             The eight-cell bank, as we've described,  
20      in the area to the left, if you will, of the third  
21      exhaust stack off the HRSG, this space has been  
22      allocated for potential future development. So  
23      the site has been designed to accommodate  
24      additional towers -- the site has been designed to  
25      accommodate both additional towers to the right,



1 as well as an additional unit to the left. The  
2 switchyard already has that capacity built into  
3 it.

4 The other item, as we walk down  
5 generally through the agenda, is the site  
6 location, if I could walk back there just a little  
7 bit.

8 The general trend of the land is from  
9 the southeast to the northwest. So the land is  
10 falling kind of from our right diagonally across  
11 to the left.

12 The initial reviews and looking at the  
13 FEMA maps, this area was identified as being  
14 within the flood plane of the Pastoria Creek.  
15 There has been no studies done by FEMA.  
16 Therefore, it was uncertain as to what the limits  
17 of those -- what the flood plane limit was, and/or  
18 what depths we might expect in the flood plane.

19 As a result of the AFC effort, Woodward  
20 Clyde has done a significant amount of hydrology  
21 work, and looked at the location of the flood  
22 plane and has gone through a number of modeling  
23 scenarios which has allowed us to identify a  
24 series of berms that would be used to exclude the  
25 site from the 100-year flood plane, to continue to

1 direct the existing flow of Pastoria Creek off to  
2 the north and west.

3 For the water that falls on site, we  
4 have identified and used a series of, in addition  
5 to the differences in elevations of the different  
6 areas, like the switchyard is four or five feet  
7 higher than the HRSG pads, which is a little bit  
8 lower than the cooling tower, we have identified a  
9 series of swales. The roadways would convey  
10 water, and a series of holding ponds and retention  
11 ponds that would provide us the storm water  
12 control that we would be looking for.

13 The description now contains an only  
14 zero discharge configuration. The discharge is  
15 behind the admin building, which is right off to  
16 the right of the first of the HRSGs. We have  
17 described the zero D system. It is a reasonably,  
18 I would call it, standard system.

19 The idea is to take a slip stream off  
20 the cooling water lines which spots that location  
21 for the zero D. To take that slip stream, to  
22 condense it. It produces a vapor which will take  
23 back to the towers, very clean water. It also  
24 produces water that would be clean enough that we  
25 believe that a demineralizer in a demineralized

1       system from boiler make-up is not required when  
2       the plant's operating on a continuous basis. But  
3       rather than water, because it is so clean out of  
4       the zero D system, will be brought back in for  
5       makeup water to the HRSGs.

6               The balance of the zero D system will  
7       produce a salt cake. The salt cake is produced in  
8       the crystallizer. The crystallizer will feed an  
9       enclosed bin. And the bin will be in an  
10      enclosure.

11              So the attempt is to control that  
12      process essentially from the inlet to the final  
13      product outlet of the salt cake.

14              That, too, is an issue that was  
15      addressed and is being docketed today. The  
16      question was constituency, and is there any hazard  
17      nature to the salt cake. We have done  
18      quantitative analysis which, again, is being  
19      docketed today. The answer to that is no, there  
20      are no hazardous compounds either from the water  
21      as we receive it, or from any of the treatments  
22      that we proposed to use in the cooling towers.

23              That basically is the plant layout, I  
24      believe, with the major equipment. The next item  
25      that I'd like to cover is the emission controls.

1       Everybody is familiar with the SCR. I don't think  
2       we probably need to talk about it very much.

3               I would like to just say before we take  
4       a look at a film, we have a three-minute  
5       presentation. It's a film that was put together  
6       by Catalytica. It generally describes the Xonon  
7       process, how it functions. How it functions is a  
8       little bit different than the typical combustor.

9               As Mr. Wehn's already mentioned, this is  
10      a development program ongoing between GE and  
11      Catalytica. And what I would propose, because we  
12      understand and are aware that there are competing  
13      systems, SCR certainly is there, SCONox is very  
14      much in presence and in play on some of these  
15      large plants, as well as Xonon, that for a Xonon  
16      discussion, depending on the Commission's desires,  
17      that we could schedule a separate meeting where we  
18      could ask representatives of Catalytica, as well  
19      as GE, to come in and provide whatever level of  
20      information, whatever level of presentation in  
21      terms of detail that would be appropriate and/or  
22      requested.

23              HEARING OFFICER GEFTER: Okay, the  
24      Committee could schedule a status conference on  
25      that in the future. It would be a public

1 conference. All agencies and members of the  
2 public would be welcome to attend that conference.  
3 That would be later on in the process.

4 MR. PATCH: Okay. If I can, maybe this  
5 is as good a point, we have the video all set up,  
6 so I'm just going to go ahead and turn it on and  
7 watch it.

8 MR. THOMPSON: We would invite people,  
9 if they want, in the back to come and stand or  
10 whatever, so you can see the video.

11 HEARING OFFICER GEFTER: Off the record.

12 (Off the record - video shown.)

13 HEARING OFFICER GEFTER: Back on the  
14 record. Go ahead.

15 MR. PATCH: There were a couple of  
16 issues that probably warrant a little  
17 clarification. The film starts off at 3 ppm. The  
18 latest update at the Catalytica website shows that  
19 they have, I think upwards of 4000 hours of  
20 operation.

21 Apparently they're doing a significant  
22 effort to monitor and control and record the  
23 emissions, all of the CO, NOx, as well as VOCs, so  
24 that they can be reported. That's being done in a  
25 very formalized manner.

1                   The reference to the 450 megawatts is  
2           the Silicon Valley, it is not the current Xonon  
3           system. Xonon is currently running on a 1.5  
4           megawatt Kawasaki machine.

5                   HEARING OFFICER GEFTER: Say that again?  
6           It wasn't clear.

7                   MR. PATCH: Xonon is currently operating  
8           on a 1.5 megawatt Kawasaki gas turbine.

9                   HEARING OFFICER GEFTER: Right. But  
10          what we just saw in this video was the Silicon  
11          Valley project, and it say it was 425 megawatts?

12                  MR. PATCH: Yes, it did, but that's the  
13          complex at Silicon Valley, not the application of  
14          Xonon to a particular gas turbine set that's  
15          producing 450.

16                  Xonon is currently operating on a 1.5  
17          megawatt gas turbine Kawasaki.

18                  HEARING OFFICER GEFTER: Is that the  
19          only project where you have Xonon in a development  
20          stage. Is there any other commercialization of  
21          Xonon that you're aware of?

22                  MR. PATCH: I am not aware of any  
23          additional commercialization. I would propose  
24          that would be kind of a good question as part of a  
25          background for the separate workshop where these

1 things could be address in more detail.

2 The plan for Pastoria Energy Facility is  
3 that recognizing that it is a development  
4 technology, and obviously competing with people  
5 like SCR and SCONOx, that as a hedge at this  
6 point, there would be provisions made in the HRSG  
7 to accommodate additional catalysts should this  
8 system not perform, or the timing of the system  
9 not allow its commercialization for application of  
10 PEF. That is again one of the things that we've  
11 addressed in the project description, but it's  
12 certainly a commitment.

13 If we can move on to emission controls,  
14 we have a subject Sam has already touched on,  
15 makeup water. Wheeler Ridge Maricopa Storage  
16 Water District is the provider in the area. And  
17 the program is that we would draw water out of  
18 what's called the 14G Wheeler Ridge Maricopa  
19 turnout to the aqueduct.

20 That turnout is just south and west of  
21 the plant site. It's just off Edmonston Pump  
22 Plant Road. It currently exists, it currently has  
23 been in service, according to Wheeler Ridge, that  
24 system was installed about 1975. It serves  
25 roughly 59, or has 59 locations where water can be

1 drawn out of the system.

2 Currently there are 19 takes on that  
3 system, such that the hydraulics runs that had  
4 been performed by Wheeler Ridge based on the  
5 current demands, and however the agreements are  
6 structured between Wheeler Ridge, we have capacity  
7 and head both at the connection point on that 14 G  
8 system.

9 PRESIDING MEMBER LAURIE: And do you  
10 know what the allocation of the district is out of  
11 the aqueduct? That is the district has an  
12 entitlement.

13 MR. PATCH: I believe it's 197,000  
14 acrefeet per year.

15 PRESIDING MEMBER LAURIE: I won't hold  
16 you to that.

17 MR. PATCH: Okay. I'd like to check. I  
18 think it's in the AFC, but I believe it's 197,000.

19 Again, the specific system was of  
20 concern as to how physically does the water  
21 actually get to the site. The 14 G turnout is  
22 existing and it has capacity. Wheeler Ridge has  
23 done the hydraulics on that system and has  
24 provided those to us in at least a draft form at  
25 this point. But it confirms the fact that the



1 lines, both out of the aqueduct, and as they  
2 branch out to the multiple takes and areas around  
3 the 14 G system will support the plant demand.  
4 And that would be the peak demand that we  
5 anticipated for, you know, maximum summer use.

6 The fuel gas line, I think Sam's already  
7 touched on it. It's about 11.5 miles; a 16- to  
8 20-inch line that ties into the Kern/Mojave line.  
9 The Kern/Mojave line for this plant, this project,  
10 is very desirable. It operates between 700 and  
11 900 psi. We will bring it down in a rather large  
12 size line. We may use a turbo expander on our end  
13 as a way to step down the pressure and generate a  
14 little bit of electricity. That's positive; this  
15 means there's obviously no on-site compression of  
16 fuel gas.

17 And the last item that I had, at least  
18 on the project description, was the transmission  
19 line. We have one of the photosimulations that  
20 looked at the transmission line that comes, will  
21 exit the switchyard to the west. And it runs  
22 about 600 or 700 feet, at which time it then  
23 parallels the existing -- the proposed  
24 transmission is set up as a double circuit  
25 transmission feed, 1000 megawatt capacity.

1                   It will come west of the switchyard  
2           about 600, 700 feet, and then will parallel the  
3           existing Edison line. Edison has three  
4           transmission lines. We'll see them today. In  
5           fact, the access that we will use to get down on  
6           site, we will be essentially for part of that  
7           access to the site, we will be in the transmission  
8           line, the proposed new transmission line right-of-  
9           way.

10                   The location of those towers and the  
11           height of those towers are paralleling what is  
12           there. There is a set of lattice towers, the  
13           taller set of the lattice towers. Our towers are  
14           about 100 to 110 feet. Edison's towers are about  
15           110 feet.

16                   And the physical location and plan view  
17           is we're matching the location of the towers that  
18           exist, which are about every 650 feet.

19                   That bring us into, from the plant, up  
20           through, across Edmonston Pump Plant Road, and  
21           into the Pastoria substation. And from there  
22           we'll connect into the Southern Cal Ed grid and  
23           the system impact study associated with that, of  
24           course, has been filed.

25                   MR. WEHN: I think the next presentation

1 will be by Jennifer Scholl discussing the  
2 environmental analysis that we conducted.

3 HEARING OFFICER GEFTER: Okay, go off  
4 the record.

5 (Off the record.)

6 HEARING OFFICER GEFTER: Back on the  
7 record.

8 MS. SCHOLL: My name is Jennifer Scholl  
9 and I'm working as the Manager of the AFC, the  
10 environmental process. And I thought what would  
11 be really helpful at this time is to take a quick  
12 look of the chronology to date, of what's occurred  
13 with respect to filing things at the Energy  
14 Commission.

15 And I'm just going to quickly run  
16 through the dates that are on the overhead  
17 projector, and get to where we are today.

18 The AFC was filed November 30th. We  
19 received data adequacy comments from staff on  
20 December 29th. And responded to those data  
21 adequacy comments January 5th.

22 We received our data adequacy  
23 determination from the Energy Commission on  
24 January 26th. After that data adequacy  
25 determination we had two days of staff workshops

1       on February 17th and 18th with staff to  
2       familiarize them with the project, and to go over  
3       some questions and answer questions with respect  
4       to both the process ad issues.

5               One of the other items that I didn't add  
6       onto the board that I think is important to note  
7       is that on March 1st we did docket a revised  
8       project description for general distribution that  
9       did show the improved project description that Sam  
10      Wehn talked about during his presentation.

11             And as Sam also spoke, on March 6th --  
12      I'm sorry, on March 3rd we received formal data  
13      requests from the CEC. On March 6th we submitted,  
14      as the PEF project team, a set of recommended  
15      mitigation measures and draft compliance plan  
16      outline package.

17             The whole purpose of that package,  
18      quickly, is to help explain to the staff how ENRON  
19      plans to construct their project with the  
20      construction phasing of the plant site and the  
21      linears. And, as well, to give staff an  
22      understanding of how we would expect to implement  
23      standard mitigation measures.

24             HEARING OFFICER GEFTER: We're going to  
25      go off the record.

1 (Off the record.)

2 HEARING OFFICER GEFTER: On the record.

3 MS. SCHOLL: And then today, this  
4 afternoon, probably as we speak, we have docketed  
5 a response to 75 percent of the data requests that  
6 we received on March 3rd.

7 And then here we are today on the 13th  
8 at the workshop. And then on the 14th through  
9 16th we plan to sit down with staff and go over  
10 our data requests -- their data requests and our  
11 responses to that. And for those that we have not  
12 submitted today, we'll go and describe our plan to  
13 address those.

14 And, at this time, for the most part we  
15 will be submitting responses to all those requests  
16 on or before April 3rd. There are a couple that,  
17 with respect to whether permitting issues that we  
18 may have to get submitted after the 3rd. But  
19 we'll go over those with staff on the 14th and  
20 15th.

21 And the 16th of March is an important  
22 workshop. We're very pleased that the Energy  
23 Commission Staff has agreed to set up a workshop  
24 to discuss biology issues. As Sam pointed out, we  
25 have been working aggressively and coordinating

1       together with Tejon Ranch and the agencies to talk  
2       about how biology permitting issues will proceed  
3       on this project.

4               And at this time there is not confusion,  
5       but there is not agreement between the Energy  
6       Commission and the U.S. Fish and Wildlife Service  
7       on how the habitat conservation plan for this  
8       project will go forward.

9               So, to address the concern that we  
10       continue coordinating together with all the  
11       agencies and the players, Rick York, the staff  
12       biologist, set up a workshop for us on the 16th.  
13       It will be actually at U.S. Fish and Wildlife  
14       Service. So we're very pleased about that, and we  
15       expect at the end of that workshop that we will  
16       have all of our habitat conservation plan issues  
17       resolved, and we will be able to go forward and  
18       submit a habitat conservation plan to the U.S.  
19       Fish and Wildlife Service either in late March or  
20       early April.

21               I think I should actually say with  
22       respect to environmental issues, one of the data  
23       requests that I had mentioned that we would not be  
24       able to address by April 3rd will come forward in  
25       formal communication from the Pastoria Energy

1 Facility is implementing the full cultural testing  
2 program for cultural resource evaluation.

3 We expect we will be out in the field  
4 before the end of April, however due to the soil  
5 conditions right now with the heavy saturation  
6 with all the recent rains, we're not confident  
7 that we can complete the testing program by April  
8 3rd.

9 But we are confident that it will be  
10 completed and assimilated and back into the Energy  
11 Commission I would think by the end of April. But  
12 with respect to the testing plan and the other  
13 information that is spelled out in staff's  
14 request, that information will be submitted on or  
15 before April 3rd.

16 And other than that, that's all I was  
17 supposed to talk about.

18 HEARING OFFICER GEFTER: Is that the  
19 conclusion of applicant's presentation?

20 MR. WEHN: Yes, thank you. That  
21 concludes our presentation.

22 HEARING OFFICER GEFTER: All right. I'd  
23 like to take questions from members of the public  
24 or from any of the agencies about the project  
25 description or anything you've heard so far today.

1                   And please address your question to the  
2           Committee and then we'll ask the parties to  
3           respond.

4                   Anyone who has any questions at all  
5           regarding the project or what you've heard today.  
6           Anyone else? Any other agencies or anybody at  
7           this point? Okay.

8                   Also, for the record, the workshops that  
9           Ms. Scholl referred to are being held in  
10          Sacramento, is that correct? And these are  
11          workshops sponsored by staff.

12                  And I have a question for some of the  
13          agency representatives that are here today  
14          regarding future workshops or hearings by the  
15          Committee.

16                  If your agency is going to be involved  
17          in any of the workshops or any of the hearings  
18          that we are going to conduct into the future, one  
19          of the considerations we had was whether the  
20          workshops are more conveniently located in this  
21          area or in the Sacramento area.

22                  One of the options we have, of course,  
23          is teleconferencing or even videoconferencing if  
24          you have access to videoconferencing. And this  
25          would be something to talk with our staff and with



1 the applicant off the record after we take our --  
2 during our recess.

3 Because we want to accommodate agency  
4 representatives, particularly in the Kern County  
5 area, and we want to figure out a way to be more  
6 efficient with our time and also to avoid  
7 unnecessary travel costs.

8 So, if, during our recess, you want to  
9 talk to our staff and to the applicant about  
10 possible ways to participate in workshops that may  
11 be out of town, this is your opportunity.

12 All right, we're going to take a short  
13 recess. We should reconvene by say 2:40.

14 Off the record.

15 (Brief recess.)

16 HEARING OFFICER GEFTER: On the record.

17 We're going to ask staff to discuss the process  
18 for the next 12 months in this case, and also to  
19 discuss the issue identification report that  
20 staff's admitted to the record.

21 We'd ask Kae Lewis from staff to make a  
22 presentation.

23 MS. LEWIS: Okay, thank you. There is a  
24 handout that I'm going to be talking directly  
25 from, so if you don't have it there are some

1 copies coming around.

2 I'm going to talk a little bit about the  
3 AFC or application for certification process, and  
4 then talk a little bit about the issues. I won't  
5 be going into as much depth as Sam did, but I'll  
6 just put the staff take on it.

7 First of all, the Legislature has given  
8 the CEC exclusive jurisdiction over the permitting  
9 of power plants. And so we apply this application  
10 for certification, AFC, process to thermal power  
11 plants over 50 megawatts. And also to all the  
12 related facilities such as transmission lines and  
13 so forth.

14 In doing this, we do it in lieu of other  
15 local and state permitting processes where that's  
16 possible, and we try not to duplicate those  
17 processes. And, in fact, we work very closely  
18 with the state and local and federal agencies.  
19 And there's a list of them in your package there.

20 We are the lead agency for CEQA,  
21 California Environmental Quality Act. And the AFC  
22 process is its functional equivalent. And  
23 therefore, what we're doing is doing a full review  
24 of environmental impacts in a process which is a  
25 public process in all of its aspects, and results

1 in CEQA-type documentation such as reports and  
2 decisions and so forth that are publicly  
3 available.

4 There's a full list, as I said, of all  
5 the agencies that we work with in your package  
6 there. And there's also more information about  
7 the public process and how you get involved with  
8 it.

9 On page 2, I just want to talk a few  
10 minutes about the players in the process. The  
11 ultimate decision on certification is made by the  
12 five-member Commission. And they work on the  
13 advisement of a two-member Project Siting  
14 Committee which deals with the details of the  
15 project, which Commissioner Laurie is the  
16 Presiding Member of.

17 They have a Hearing Officer who conducts  
18 the hearings and acts as advisor and counsel to  
19 that Project Siting Committee.

20 On the last line there you have a list  
21 of groups that operate independently and give  
22 independent input to this decision-making process.  
23 On your far left is the applicant, Sam Wehn being  
24 the Project Director. The state and local  
25 agencies. The Energy Commission Staff.

1                   And the last two are the intervenors and  
2                   the public. And the intervenors, which are  
3                   interested parties in organized groups. And the  
4                   public are advised by Roberta Mendonca, the Public  
5                   Adviser, whose job it is to insure that there's  
6                   public access to all the decision-making processes  
7                   for the project.

8                   On slide number 6, let me just walk you  
9                   through the siting process, the different stages  
10                  of it. It's designed to be a 12-month process.  
11                  The first phase is -- is it there -- does everyone  
12                  have that? This first phase is the prefiling  
13                  phase, which clarifies the filing requirements for  
14                  the applicant. So that is before an application  
15                  is filed. And it prepares the applicant for the  
16                  process.

17                  The first stage, once an application is  
18                  submitted, is called the data adequacy stage. And  
19                  it is at this stage that the application is  
20                  reviewed for sufficient information to begin the  
21                  process.

22                  The next stage is the discovery stage,  
23                  which is the stage that we are in right now for  
24                  this project. And that consists of the  
25                  information hearing that we're having today, the

1 site visit that we're having today, the data  
2 requests and the workshops which begin tomorrow.  
3 And also subsequent workshops.

4 The next stage is the analysis stage,  
5 which involves more data requests and more  
6 workshops and they're targeted to collect specific  
7 pieces of information. And a key product there is  
8 the preliminary staff assessment, which is  
9 followed by a prehearing conference and a final  
10 staff assessment, the FSA.

11 The FSA is the key product initiated by  
12 the staff which recommends if the plant should  
13 receive certification, and under what conditions  
14 this should be.

15 The next stage is Committee hearings  
16 where testimony and evidence is submitted to the  
17 Project Siting Committee on the FSA.

18 That is followed by the decision process  
19 whereby the Committee, the Project Siting  
20 Committee, the Presiding Member drafts a proposed  
21 decision. There's a public comment period for 30  
22 days. And then ultimately the five-member  
23 Commission rules on the certification of the  
24 project.

25 And it's at that point that the

1 conditions for certification are completely  
2 outlined. Those are the conditions for project  
3 construction and operation.

4 And then the last stage is the  
5 compliance stage. Once the construction actually  
6 takes place, then we go into a monitoring mode to  
7 make sure the conditions of certification are  
8 being met.

9 So that is the 12-month process.

10 PRESIDING MEMBER LAURIE: Ms. Lewis, can  
11 you go over just briefly when you talk about the  
12 12-month process, often there is local  
13 entitlement, discretionary approvals that are part  
14 of this process, and despite the view that the  
15 Energy Commission process takes precedence.

16 In this project are there any local  
17 discretionary approvals that are required for  
18 construction?

19 MS. LEWIS: I know that there's a public  
20 process that needs to happen over the Williamson  
21 Act. I'm not quite sure if you mean something  
22 different than that.

23 PRESIDING MEMBER LAURIE: Well, the  
24 Williamson Act is an issue. Zoning -- well, the  
25 Williamson Act is a zoning issue. Special use

1 permit. Mr. Wehn?

2 MR. WEHN: Yes, sir.

3 PRESIDING MEMBER LAURIE: Do you know  
4 the answer to that question?

5 MR. WEHN: There is part of this  
6 Division Map Act that we will have to file with  
7 the County is one issue that will have to be taken  
8 up at the local level.

9 PRESIDING MEMBER LAURIE: And that's to  
10 actually create the parcel?

11 MR. WEHN: That's correct.

12 PRESIDING MEMBER LAURIE: Does that  
13 require a rezone? Really. Okay. And then what  
14 do you need for the Williamson Act, what does the  
15 board have to do? As far as you know there's no  
16 Williamson Act --

17 MR. WEHN: There is Williamson Act. We  
18 are going to file for retrieval of that. And  
19 that's in the process of being developed.

20 PRESIDING MEMBER LAURIE: Wait a minute.  
21 You have to cancel?

22 MR. WEHN: Yes.

23 PRESIDING MEMBER LAURIE: You have to  
24 cancel the contract?

25 MR. WEHN: That's as I understand it

1 right now, that is correct.

2 PRESIDING MEMBER LAURIE: Okay.  
3 Question. Are you folks knowledgeable about a  
4 Williamson Act cancellation process? I'm  
5 intimately familiar with that kind of process. I  
6 don't think you all have ever gone through that  
7 before.

8 HEARING OFFICER GEFTER: This is asking  
9 the Commission Staff?

10 PRESIDING MEMBER LAURIE: Yes, thank  
11 you. That needs to be taken into account in  
12 dealing with the schedule. And the parties will  
13 have to talk about that.

14 MR. WEHN: Just as an insert -- this is  
15 Sam Wehn -- we are trying to develop a schedule of  
16 events, what has to precede what with regard to --  
17 or what activity precedes what activity with  
18 regard to this whole issue. And some of it may  
19 come right down to we need to have the final  
20 decision, and then it goes before the County  
21 Supervisors for a vote. And then it's finished.

22 But what I'm suggesting is as soon as we  
23 work out that schedule we would like to share that  
24 with the staff and, of course, they can double-  
25 check it with the County, themselves.



1                   PRESIDING MEMBER LAURIE: Mr. Wehn, I  
2           would also ask you to have your staff break out  
3           the Williamson Act law, especially the provisions  
4           relating to the cancellation of -- or the partial  
5           cancellation of Williamson Act contracts so that  
6           staff can start becoming familiar with how that  
7           process works.

8                   I'm aware that the findings necessary  
9           for Williamson Act contract cancellations are  
10          vigorous. Not to say it cannot be done,  
11          especially if the local jurisdiction wants it  
12          done, but I'm aware of the fact that they are  
13          vigorous and demanding, and our staff has to  
14          become familiar with them.

15                  Okay, sorry I interrupted, but that was  
16          important.

17                  MS. LEWIS: We do have a specific data  
18          request for the information on the Williamson Act.  
19          We do have a specific data request on the  
20          cancellation of the Williamson Act.

21                  The next thing I want to talk about was  
22          the issues identification report. The purpose of  
23          this report is to inform all the participants in  
24          the process of potential issues that could  
25          jeopardize the project or delay its schedule.

1                   We want to put an early focus on  
2                   potential problems. And we want also to be sure  
3                   to indicate that the report is not limiting.  
4                   Certainly problems may arise later in the process  
5                   which we will need to investigate.

6                   Criteria for issues are things that,  
7                   impacts that may be difficult to mitigate.  
8                   Noncompliance problems with federal, state and  
9                   local laws. And issues that may be contentious by  
10                  any of the -- with any of the interested parties.

11                  The major issues that we identified for  
12                  the Pastoria Energy Facility were in four areas.  
13                  Air quality, biological resources, transmission  
14                  system engineering and water resources.

15                  Now, most of these issues Sam did  
16                  address, but I'm going to just go through them  
17                  quickly. There are a couple additional items  
18                  here.

19                  First, in the area of air quality,  
20                  complete emission reduction credits, or ERCs,  
21                  offsets necessary for the project have not been  
22                  secured. Some emission offsets need still to be  
23                  banked in the San Joaquin Valley Unified Air  
24                  Pollution Control District bank.

25                  The third one, the PM10 ERCs have been

1       difficult to obtain, and may require inter-  
2       pollutant trading.

3               And the last one, the choice for best  
4       available control technology is Xonon, a new  
5       technology with application uncertainties which we  
6       have already discussed earlier.

7               In the area of water resources, as was  
8       indicated, water for the project will be  
9       contracted from the Wheeler Ridge Maricopa Water  
10      Storage District. Supplies will be drawn from the  
11      California aqueduct when surplus water is  
12      available, and from the groundwater basins of the  
13      water storage district, most notably the Kern  
14      water bank.

15              An additional groundwater supply may be  
16      developed by the applicant. Information is  
17      necessary to evaluate its potential environmental  
18      impacts.

19              We have data requests in on all of these  
20      items, most notably on the additional groundwater  
21      supply.

22              In the area of biological resources, as  
23      we mentioned, we will have a workshop this  
24      Thursday, March 16th, to discuss the habitat  
25      conservation plan which is being required through

1 section 10 of the Endangered Species Act.

2 The key issue there was that the HCP for  
3 this project needs to be coordinated with that of  
4 Tejon Ranch. And the key issue there is impacts  
5 to the kit fox which need to be addressed in the  
6 HCP.

7 Another issue which was not mentioned  
8 yet was the presence of an unidentified plant  
9 species which I won't try to pronounce. It's a  
10 type of lily which was found during field surveys.  
11 And this was reported in the AFC.

12 At this point in time the additional  
13 information cannot be collected at this point  
14 because of the season of the year. But it is  
15 anticipated additional information will be found.

16 The initial data was sent to, I believe  
17 it was the Academy of Sciences, and they were not  
18 able to identify this plant. So we may be dealing  
19 with a type of rare species. And if that's true,  
20 then we need to deal with it in a mitigation plan.

21 PRESIDING MEMBER LAURIE: Well,  
22 congratulations to the applicant on that one.

23 (Laughter.)

24 MS. LEWIS: The next set of issues is in  
25 the transmission system engineering. The system

1 impact study by SCE and facilities study agreement  
2 between SCE and the applicant had indicated that  
3 transmission system mitigations are necessary.  
4 And as the applicant indicated, this was making  
5 assumptions about the inclusion of the Antelope  
6 project.

7 If reconductoring or reconstruction of  
8 an existing line, or construction of a new  
9 transmission line is necessary for this project,  
10 then the current environmental resource  
11 information will still be required for these  
12 mitigations.

13 The next slide, number 15, is a  
14 schedule. Now, based on our view of looking at  
15 the issues this way, the current state of affairs,  
16 this is the schedule that we are proposing.

17 As you see, 3/13, today, we're having  
18 the information hearing. For the next three days  
19 we're going to be having a workshop on data  
20 requests and the biological workshop.

21 Data requests are due from the applicant  
22 April 3rd, and those, as indicated, were on  
23 schedule.

24 The two other additional events are that  
25 the SCE's detailed facility study needs to be

1 received. And I believe that that's a three-month  
2 process from early February. That is received by  
3 us and also Cal-ISO, which then gives approval  
4 based on that report.

5 Also, the air district needs to submit  
6 its PDOC, which is a two-month process, I believe,  
7 120 days.

8 The question mark here is the important  
9 item. The applicant will need to submit  
10 environmental assessment for the transmission  
11 mitigations unless what you have indicated  
12 earlier, the case with Antelope, comes to pass.

13 You did submit a letter which indicated  
14 that Cal-ISO said that if Antelope were not an  
15 assumption in the analysis then the results would  
16 be different. So that they would have to  
17 recalculate, re-do the study. And then we could  
18 very well be looking at a more typical schedule,  
19 rather than the one where we are stopping it for  
20 that information on the transmission issues.

21 HEARING OFFICER GEFTER: Ms. Lewis, you  
22 just referred to a letter from Cal-ISO. Is that  
23 in the -- has that been docketed?

24 MS. LEWIS: Yes.

25 HEARING OFFICER GEFTER: So, when did

1       that letter --

2               MS. LEWIS:  It was docketed last week.

3               HEARING OFFICER GEFTER:  Last week,  
4       thank you.

5               MS. LEWIS:  We are suggesting here,  
6       without any changes, the information that we have  
7       to date, that the schedule be halted and the  
8       scheduled PSA 60 days after receiving the  
9       information the environmental assessment on  
10      transmission mitigations.

11              And then the FSA would then be 60 days  
12      after the PSA, and 60 days, assuming that the air  
13      district then files the final DOC 60 days after  
14      the PDOC.

15              HEARING OFFICER GEFTER:  I'm sorry, I  
16      was going to interrupt and ask Mr. Karrs from the  
17      Air Pollution Control District what the schedule  
18      from their perspective is, in terms of issuing a  
19      PDOC.

20              Mr. Karrs, do you have any indication at  
21      all how long it will take you to get a PDOC  
22      issued?  If you'd speak into a microphone that  
23      would be helpful.

24              MR. KARRS:  Yes, according to the  
25      schedule on this proposed schedule for the San

1       Joaquin Valley to issue a preliminary decision of  
2       compliance, I think we can make that 5/26 date.

3               What we're waiting on from ENRON is the  
4       submission of the offset credits that are required  
5       to permit this facility. We have applications in  
6       to transfer certain credits from certain companies  
7       to ENRON. I don't know if that is the full value  
8       of the credits.

9               But I'm talking with Joan Heredia of the  
10      URS Greiner, she's the air consultant, and she's  
11      keeping me apprised of the efforts being made by  
12      ENRON to secure these credits.

13              Other than that I believe that we would  
14      be receptive to issuing a PDOC, or as we call it,  
15      an authority to construct. Pretty much the same  
16      thing for us. With either the SCR technology or  
17      the Xonon as an allowable option.

18              HEARING OFFICER GEFTER: A question  
19      regarding the offset package. Is the offset  
20      package that the District is looking for based on  
21      SCR technology, or based on Xonon?

22              MR. KARRS: No, it's not based on either  
23      of the technologies. It's based on emission  
24      limits. And both of the technologies are proposed  
25      at the same limits, which would be 2.5 ppm NOx and



1       6 ppm CO, and the Xonon does control those two air  
2       contaminants.

3               And ENRON is going to have to provide  
4       emissions for the other air contaminants which  
5       would be SOx and PM10, in addition to NOx. CO is  
6       an air contaminant that our District rules allow  
7       the applicant, or any applicant, to model out of.

8               In other words, we know there's going to  
9       be a large amount of CO emissions, however through  
10      modeling, the applicant has shown, I think,  
11      according to our staff up in Fresno that this  
12      impact is not going to affect negatively on the  
13      air quality in the area where the plant is being  
14      constructed.

15              So, yes, as far as the schedule goes, it  
16      looks like it's pretty good from our standpoint.

17              HEARING OFFICER GEFTER: Thank you. Ms.  
18      Lewis, if you have further comments, please go  
19      ahead. I'm sorry to have interrupted you.

20              MS. LEWIS: That's okay, I believe I  
21      concluded talking about the schedule. Just a  
22      final point is that staff proposed to provide  
23      periodic status reports on the resolution of all  
24      of these issues that we have identified.

25              And just to repeat that the next steps

1 are data request workshop starting tomorrow. And  
2 the biological workshop on March 16th.

3 HEARING OFFICER GEFTER: Is the  
4 rationale for staff's proposed schedule that  
5 starting with the environmental assessment on the  
6 transmission mitigations it becomes somewhat  
7 questionable as to what the schedule will be.

8 Is staff trying to propose a performance  
9 schedule here?

10 MS. LEWIS: I was going to say not in so  
11 many words. Yes. Yes, that's the issue. What  
12 this requires, the environmental assessment  
13 requires surveys that need to be done at certain  
14 times of the year, so that makes the schedule  
15 start to get very uncertain. So that's why we're  
16 proposing this.

17 HEARING OFFICER GEFTER: Is staff also  
18 proposing that the PSA and the FSA be one  
19 document, rather than a bifurcated document?

20 MS. LEWIS: No.

21 HEARING OFFICER GEFTER: Okay. And if  
22 you would propose a bifurcated document, which  
23 items would be kept out of the PSA?

24 MS. LEWIS: I don't understand that  
25 question.

1                   HEARING OFFICER GEFTER: All right. If  
2                   you were to bifurcate the PSA, which topics would  
3                   come later, after the initial PSA would be issued?  
4                   In other words, are you going to separate air  
5                   quality, transmission, water out of the PSA and  
6                   give us those topics in a separate document?

7                   MS. LEWIS: I don't believe that's our  
8                   intention.

9                   HEARING OFFICER GEFTER: Okay. Mr.  
10                  Johnson.

11                  MR. JOHNSON: Thank you. Roger Johnson.  
12                  The reason we're not proposing to bifurcate the  
13                  PSA is that if, in fact, there are mitigation  
14                  projects needed downstream from the Pastoria  
15                  substation, that could potentially affect  
16                  significant number of technical areas, that would  
17                  have to be evaluated for those to understand the  
18                  indirect effects of those impacts associated  
19                  together with the project.

20                  So at this time it would be just  
21                  unreasonable to decide which technical areas;  
22                  maybe some engineering areas, reliability,  
23                  efficiency that could go forward without the rest  
24                  of the analysis of the downstream facilities.

25                  So, if, in fact, these studies come up

1 suggesting that there are these facilities, they  
2 are the responsibility of the PEF project, then  
3 we'll have to look at this environmental  
4 information. That's why the schedule suggests  
5 that.

6 If the applicant, as they suggested this  
7 afternoon, can provide evidence that there are no  
8 downstream facilities that they're responsible  
9 for, then we will essentially be on a regular  
10 schedule, which would show a PSA coming out around  
11 165 days into the proceeding.

12 HEARING OFFICER GEFTER: Bottomline is  
13 staff is not, at this time, proposing to bifurcate  
14 the PSA?

15 MR. JOHNSON: That's correct.

16 HEARING OFFICER GEFTER: Does the  
17 applicant have any comments on the proposed  
18 schedule from staff?

19 MR. THOMPSON: Thank you. Actually we  
20 do have a number.

21 Late last week we filed a document  
22 entitled, applicant's comments on staff's proposed  
23 schedule. And we attached two documents to that.

24 One is a compilation of recent CEC --  
25 the schedules of recent CEC matters showing the

1 relationship between the preliminary staff  
2 assessment and the preliminary DOC of the air  
3 district.

4 The second one was the Cal-ISO letter  
5 that was mentioned here previously.

6 HEARING OFFICER GEFTER: And that letter  
7 is dated February 3rd, is that correct?

8 MR. THOMPSON: That's correct.

9 HEARING OFFICER GEFTER: All right. And  
10 that's a letter from Cal-ISO to Southern  
11 California Edison?

12 MR. THOMPSON: That's correct. And I  
13 don't believe that it was docketed until we  
14 docketed it last week. I couldn't find evidence  
15 of it.

16 HEARING OFFICER GEFTER: And that was  
17 docketed on March 7th, then, is that correct?

18 MR. THOMPSON: When did I sign this --  
19 March 9, I believe.

20 HEARING OFFICER GEFTER: Right, I'm  
21 sorry, strike that. March 9th the letter from  
22 Cal-ISO was docketed, along with the applicant's  
23 comments on the proposed schedule.

24 MR. THOMPSON: That's correct, they were  
25 attached together.

1           In the comments I suggested that we all  
2       refrain from establishing a project schedule that  
3       reaches well out into the future, but that we be  
4       allowed to file an update specifically on the four  
5       areas that we have been discussing today, because  
6       we believe that we are very close to resolution of  
7       all four areas.

8           And, for example, if we can show the  
9       district that we have all of the offsets; if we  
10      can show that the transmission study that has been  
11      docketed, there is a portion of that transmission  
12      study that studies the system with the Antelope  
13      capacity behind, or at least not in front of  
14      Pastoria. And that part of the study shows that  
15      there will not be any physical upgrades necessary  
16      to the line going south.

17          The biology, we are hopeful that we will  
18      get sufficient guidance from the agencies this  
19      week to be able to file a draft BRMIMP. And to  
20      resolve the issue of the interrelationships  
21      between the habitat conservation plans.

22          And finally, we believe that a water  
23      plan, an acceptable water plan will be developed,  
24      finalized over the next two to three weeks.

25          So what we are asking is that we be

1       allowed to file on or before April 3rd a document  
2       showing further evidence on these issues, and then  
3       we can suggest a schedule then. And we would hope  
4       that that would be an acceptable way of going  
5       forward.

6               HEARING OFFICER GEFTER: Okay. I would  
7       point out that under the regulations the Committee  
8       must issue a scheduling order within 15 days after  
9       the informational hearing. And that falls on  
10      March 28th.

11             So I understand what the applicant is  
12      proposing is to waive that 15-day requirement for  
13      the Committee to issue a scheduling order. That  
14      the applicant will not be waiting for the  
15      scheduling order at that time. But, instead, is  
16      asking for an April 3rd date to file information.  
17      And then subsequent to that the Committee would  
18      then have 15 days to issue a scheduling order.

19             Is that what your proposal is?

20             MR. THOMPSON: That's our proposal,  
21      that's correct. I'm sorry if I did not spell that  
22      out.

23             HEARING OFFICER GEFTER: All right.  
24      When you are suggesting that you would submit a  
25      proposed schedule, I would hope that that would be

1 in conjunction with staff, working with staff, so  
2 that we would get one proposed schedule submitted  
3 by the parties.

4 MR. THOMPSON: Yes. And it would be --  
5 I view it as kind of the culmination of  
6 information flow to staff, so that when they nod  
7 their head up and down on an issue, then we can go  
8 to the schedule.

9 HEARING OFFICER GEFTER: All right. And  
10 let me ask staff, as well, whether staff would be  
11 working with the applicant to develop a proposed  
12 schedule, and anticipate a submission of that  
13 proposed schedule on April 3rd? And subsequent to  
14 that, 15 days -- at least 15 -- well, I would say  
15 within 15 days the Committee would issue a  
16 scheduling order based on the proposed schedule?

17 MS. LEWIS: Yes.

18 HEARING OFFICER GEFTER: All right, now  
19 of course, I want all the parties to understand  
20 that this means that the schedule is already  
21 slipping.

22 MR. THOMPSON: We intend to make that  
23 up.

24 HEARING OFFICER GEFTER: All right.  
25 Because we're actually slipping about, I would



1 say, 30 days.

2 MR. THOMPSON: Well, our position is  
3 that the -- if an environmental assessment for the  
4 transmission mitigations is required, we don't  
5 have this project. We may have a 500 megawatt  
6 project, which is a final decision 01 project. Or  
7 we may not have a project at all.

8 This, I believe, entails such a major  
9 issue involving federal-state coordination and the  
10 depth of the environmental analysis in lands that  
11 would be very difficult to operate on, that we  
12 think that resolution is absolutely imperative if  
13 we can go forward with the project as configured.

14 HEARING OFFICER GEFTER: If these  
15 matters cannot be resolved by April 3rd, then I  
16 would state that the schedule will continue to  
17 slip. That would be the Committee's position.

18 MR. THOMPSON: I will give this to the  
19 Committee, and the Commission, that if a detailed  
20 study of the transmission line is warranted, there  
21 will be schedule slippage.

22 Right now we do not believe it is. And,  
23 indeed, we think if the ISO and Edison recognize  
24 the position of the two projects they would have  
25 corrected it already.

1                   And having correctly moved the Antelope  
2           capacity behind us, we would have no system  
3           upgrades. So, we're dealing in an area where  
4           we're not sure there are rules that Edison  
5           follows. I mean they follow whatever rules there  
6           are. We're not sure that there are rules that  
7           cover this kind of situation.

8                   So, in some ways we're a bit feeling  
9           around in the dark here.

10                   HEARING OFFICER GEFTER: All right.  
11           Generally what occurs at the conclusion of an  
12           informational hearing, aside from any questions  
13           that any members of the public or any other  
14           agencies may have, which I will ask for right now,  
15           are there any questions from any agency  
16           representatives or any other members of the  
17           public?

18                   All right, I'm not hearing from anyone.  
19           So we will proceed.

20                   What generally occurs at this point is  
21           that the Committee discusses the issuance of a  
22           scheduling order. And based on the discussion  
23           that we just concluded, the Committee will not  
24           issue a scheduling order pending a proposed  
25           schedule submitted by the parties on April 3rd.

1                   That indicates that the applicant has  
2                   waived the 15-day requirement to receive a  
3                   scheduling order after the informational hearing.  
4                   It also indicates that the schedule will slip  
5                   about 30 days. It also indicates that we are  
6                   looking at a performance schedule. And it also  
7                   indicates that if we don't receive the proposed  
8                   schedule by April 3rd, the schedule will continue  
9                   to slip on a day-for-day basis.

10                  I want to make sure that the parties  
11                  understand that that's the situation at this  
12                  point.

13                  MR. THOMPSON: We understand the  
14                  position. We think we're put in an untenable  
15                  position by Southern California Edison, an entity  
16                  out of our control, the ISO, an entity out of our  
17                  control, and we're fighting to keep schedule or  
18                  improve on the schedule.

19                  So I wanted our position to be clear, as  
20                  well.

21                  HEARING OFFICER GEFTER: Well, we  
22                  certainly hope that the applicant can resolve  
23                  these issues as expeditiously as possible.

24                  Are there any other comments from the  
25                  staff?

1                   Are there any other comments from  
2           anybody else before we adjourn for our site visit?

3                   Okay, hearing nothing from anyone, the  
4           informational hearing is adjourned.

5                   (Whereupon, the site visit was held.)

6                   (Whereupon, at 3:21 p.m., the hearing  
7           was adjourned.)

8                               --o0o--

9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

## CERTIFICATE OF REPORTER

I, VALORIE PHILLIPS, an Electronic Reporter, do hereby certify that I am a disinterested person herein; that I recorded the foregoing California Energy Commission Hearing; that it was thereafter transcribed into typewriting.

I further certify that I am not of counsel or attorney for any of the parties to said hearing, nor in any way interested in the outcome of said hearing.

IN WITNESS WHEREOF, I have hereunto set my hand this 17th day of March, 2000.

VALORIE PHILLIPS

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345